

GRACE LAWRENCE,)	
on behalf of herself and all)	
others similarly situated,)	
)	
Plaintiff,)	C.A. No. 08-
vs.)	
)	
L.A. Fitness International, LLC)	CLASS ACTION
)	
)	
Defendant.)	JURY TRIAL DEMANDED
)	

I. INTRODUCTION

II. JURISDICTION AND VENUE

3. Venue lies in this district pursuant to 28 U.S.C. § 1391(b).

4. Plaintiff Grace Lawrence is an adult individual and citizen of the Commonwealth of Pennsylvania who resides at 484 Redbud Court, Warrington, PA 18976.

5. Defendant L.A. Fitness International, LLC ("L.A. Fitness") is a California limited liability company that regularly conducts business throughout Philadelphia and its environs, and maintains a place of business at 599 Paul Valley Road, Warrington, PA 18976.

IV. FACTUAL ALLEGATIONS

6. L.A. Fitness is a health club. It offers membership to individuals who seek to exercise at one or more of its clubs.

7. L.A. Fitness requires individuals who seek membership to enter into a contract that is embodied within a document entitled "Membership Agreement." The Membership Agreement incorporates "LA Fitness' Membership Policies and Club Rules and Regulations." The Membership Agreement is a standard form document that L.A. Fitness drafted. It uses the same form document for every consumer, without regard for the geographic location of the facility the consumer uses or the consumer's address.

8. A true and correct copy of the Membership Agreement and the Membership Policies and Club Rules and Regulations (collectively "Agreement") provided by L.A. Fitness to Plaintiff Lawrence, dated February 15, 2007, is attached hereto as Exhibit A.

9. The Agreement sets forth, *inter alia*, the initiation fee and monthly dues for membership (collectively "dues").

10. L.A. Fitness enters into membership agreements such as the Agreement that it entered into with Plaintiff Lawrence with hundreds and probably thousands of individuals.

11. As documented in the Agreement, L.A. Fitness requires that a consumer's monthly dues must be collected directly by L.A. Fitness electronically from the member's bank account through Electronic Fund Transfers ("EFT") or credit card.

12. The entire written notice that L.A. Fitness provides to members concerning dues and the EFT payment process is set forth in the Agreement.

13. The Agreement sets a date on which L.A. Fitness will collect a set amount of monthly dues via EFT.

14. In the case of Plaintiff Lawrence, monthly dues of \$34.99 plus applicable tax were due April 1, 2007, and the same day each month thereafter until the termination of the Agreement.

15. Pursuant to the Agreement, L.A. Fitness was to directly withdraw the monthly dues via EFT from Plaintiff Lawrence's bank account with Wachovia Bank. Lawrence's Agreement was the same as agreements that L.A. Fitness required other consumers to sign.

16. By way of EFTs, L.A. Fitness electronically withdraws moneys directly from the bank accounts and credit cards of members.

17. L.A. Fitness knows that for various reasons the monthly membership charges and dues to be collected via EFT can be different from one month to the next.

18. L.A. Fitness also knows that members are entitled to advance notice of any such varying charges and dues before it electronically withdraws money from member bank accounts.

19. Nevertheless, L.A. Fitness places the following waiver clause in its agreements with members, who it calls "buyers," including its Agreement with Plaintiff Lawrence: "Buyer understands that Buyer is entitled to notice of all varying charges and withdrawals under EFT, but Buyer waives the right to receive prior notice for charges or withdrawals with respect to any uncollected monthly dues payments or portions of the balance due described above and the corresponding service charges, both of which Buyer agrees are not varying charges or withdrawals" (hereinafter, the "waiver clause"). See Exhibit A.

20. Defendant also includes in the Agreement the following language: "L.A. Fitness makes no warranties or representations, express or implied, other than those set forth herein, and your sole and exclusive remedy in the event of any breach of this Agreement shall be cancellation of this Agreement. IN NO EVENT SHALL L.A. FITNESS BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES." *See* Exhibit A, p. 2.

21. L.A. Fitness' standard form Agreement violates EFTA's anti-waiver provisions. Defendant places the waiver clause and the purported limitation of liability described above in Agreements even though EFTA provides as follows: "No writing or other agreement between a consumer and any other person may contain any provision which constitutes a waiver of any right conferred or cause of action created by this subchapter." 15 U.S.C. § 1693l.

22. As L.A. Fitness knows, EFTA further provides that businesses which make EFTs in varying amounts " . . . shall, prior to each transfer, provide reasonable advance notice to the consumer, in accordance with regulations of the Board [of Governors of the Federal Reserve System], of the amount to be transferred and the scheduled date of the transfer." 15 U.S.C. § 1693e(b).

23. Upon information and belief, and without any prior or advance notice, L.A. Fitness makes EFTs at its discretion from member accounts in amounts varying from the monthly dues specified in those Membership Agreements.

24. In the case of Plaintiff Lawrence, L.A. Fitness made unauthorized, varying EFT withdrawals from Plaintiff's Wachovia Bank account in at least April 2007, for \$60.00 in two separate \$30.00 EFT withdrawals, which was in addition to the regular April monthly dues of \$34.99, and also in August 2007, when it made unauthorized varying EFT withdrawals of \$10.00 and separately of \$20.00.

25. In no instance did L.A. Fitness provide any advance notice to Plaintiff Lawrence of any varying EFT withdrawal from her Wachovia Bank account.

26. Between February and April 2007, L.A. Fitness electronically withdrew well over \$1,000 from Plaintiff Lawrence's Wachovia Bank account for monthly dues, other undefined and unauthorized charges, and also for dues for personal fitness training services that Plaintiff Lawrence was supposed to receive.

27. Ironically, Plaintiff Lawrence almost never visited the club after she sustained certain injuries in a car accident in March 2007.

28. Plaintiff Lawrence requested that L.A. Fitness let her cancel her Agreement, but L.A. Fitness refused. Thereafter, L.A. Fitness improperly withdrew varying amounts from Lawrence's bank account without giving her any advance notice.

V. CLASS ACTION ALLEGATIONS

29. Plaintiff Lawrence now brings this action individually and as a class action, pursuant to Rules 23(a) and 23(b) of the Federal Rules of Civil Procedure, on behalf of the following Classes: (a) all persons in the United States of America who, during the one year prior to the filing of this action, entered into an Membership Agreement with Defendant substantially similar to the Agreement attached as Exhibit A; and (b) all such persons who had an EFT withdrawal made by Defendant in an amount varying from the amount set forth in such person's Membership Agreement and who were not sent any prior notice of the varying EFT withdrawal.

30. The Class is so numerous that joinder of all members is impracticable. Defendant has collected payments via EFT withdrawals from hundreds if not thousands of consumers throughout the nation. Thus, although the precise number of Class members is

known only to Defendant, the Class is believed to number in the hundreds, and possibly the thousands.

31. There are questions of law and fact common to the Class which predominate over any questions affecting only individual Class members. The principal common question is whether Defendant violated EFTA by requiring consumers to sign a contract in the form of Exhibit A, which fails to provide proper disclosures to consumers, unlawfully seeks a waiver of consumer rights under EFTA, improperly gives a green light to Defendant to electronically deduct from consumer bank accounts indeterminate and unauthorized sums of money and purports to limit Defendant's liability under applicable law.

32. Plaintiff's claims are typical of the claims of the Class, which all arise from the same operative facts and are based on the same legal theories.

33. Plaintiff will fairly and adequately protect the interests of the Class. Plaintiff is committed to vigorously litigating this matter and has retained counsel experienced in handling consumer class actions and claims involving unlawful business practices. Neither Plaintiff nor her counsel has any interests which might cause them not to vigorously pursue this claim.

34. This action should be maintained as a class action because the prosecution of separate actions by individual members of the Class would create a risk of inconsistent or varying adjudications with respect to individual members which would establish incompatible standards of conduct for the parties opposing the Class, as well as a risk of adjudications with respect to individual members which would as a practical matter be dispositive of the interests of other members not parties to the adjudications or substantially impair or impede their ability to protect their interests.

35. The Defendant has acted on grounds generally applicable to the Class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the Class as a whole.

36. Whether a Class member has entered onto a Membership Agreement or had an EFT withdrawal by Defendants without prior notice can be determined by a ministerial inspection of Defendant's records.

37. A class action is a superior method for the fair and efficient adjudication of this controversy. The interest of Class members in individually controlling the prosecution of separate claims against Defendant is small because damages under EFTA may be small. Management of the Class claims is likely to present significantly fewer difficulties than those presented in many class claims. The identities of the Class members may be obtained from Defendant's records.

VI. CLAIMS

COUNT ONE

Electronic Funds Transfer Act

38. Plaintiff repeats and realleges all paragraphs above as if fully set forth herein.

39. At all times pertinent hereto, Plaintiff was a "consumer" as that term is defined by section 1693a(5) of EFTA.

40. At all times pertinent hereto, Defendant was a "person" subject to liability under section 1693m of EFTA.

41. Defendant has violated EFTA in numerous respects, including but not limited to the following:

(a) Defendant violated section 1693e(b) of EFTA, which requires that when preauthorized withdrawals in varying amounts are made, the designated payee must "provide

reasonable advance notice to the consumer.” Under EFTA, any contractual waiver of a right afforded by the statute is unenforceable, and the imposition of a such a waiver is in violation of the statute itself;

(b) Defendant violated section 1693l of EFTA, which prohibits obtaining a waiver of rights conferred under EFTA, by seeking to obtain such a waiver from consumers in its standard membership agreement; and

(c) Defendant violated section 1693l of EFTA, which prohibits obtaining a waiver of rights conferred under EFTA, by seeking to limit its liability for any breach of the standard membership agreement.

42. As a result of the violations of EFTA, Defendant is liable to Plaintiff and the Class for the full amount of damages that the law allows, as well as costs and reasonable attorneys’ fees, pursuant to sections 1693m(a)(2)(B) and (3) of EFTA.

VII. JURY TRIAL DEMAND

43. Plaintiff demands trial by jury as to all issues so triable.

VIII. PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays that relief be granted as follows:

(a) That an order be entered certifying the proposed Class under Rule 23 of the Federal Rules of Civil Procedure and appointing Plaintiff as Class Representative and her counsel as Class counsel;

(b) That an order be entered declaring that Defendant’s actions as described above are in violation of EFTA and that the waiver and limitation of liability clauses contained in the Membership Agreements shall be treated as void and may not be enforced by any court or any other person, pursuant to 15 U.S.C. § 1693l;

(c) That an order be entered enjoining Defendant from continuing to use any Membership Agreement or other form agreement containing the waiver and limitation of liability clauses and further enjoining Defendant from making any varying EFT withdrawal without prior notice as provided at 15 U.S.C. § 1693l or any other unauthorized EFT withdrawal in violation of EFTA;

(d) That judgment be entered against Defendant for actual and statutory damages pursuant to 15 U.S.C. § 169m(a)(2)(B);

(e) That the Court award costs and reasonable attorney's fees pursuant to 15 U.S.C. §1693m(a)(3); and

(f) That the Court grant such other and further relief as may be just and proper.

Dated: February 12, 2008

Respectfully submitted,
FRANCIS & MAILMAN, P.C.

BY: /s/ James A. Francis
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Attorneys for Plaintiff and the Class

EXHIBIT A

L.A. FITNESS

F1192482

BAR CODE

MEMBERSHIP AGREEMENT

NAME Lawrence, GraceADDRESS 484 Read Bud Court, Warrington, PA, 18976

BUSINESS PHONE

HOME PHONE 215-343-4293

E-MAIL

CELL/OTHER PHONE

IMMEDIATE FAMILY MEMBERS INCLUDED ON MEMBERSHIP MUST LIVE AT THE SAME ADDRESS AND USE THE SAME SOURCE OF PAYMENT AS MEMBER. (MAX. 4)

#1 FAQ NAME

#2 FAQ NAME

#3 FAQ NAME

It is agreed by and between L.A. Fitness International, LLC ("L.A. Fitness") and you, the undersigned Buyer (individually, if you are the Member, and/or as agent or guardian of the Member or responsible party), that you are purchasing a membership from L.A. Fitness according to the terms on both pages of this Membership Agreement and the current Membership Policies and Club Rules and Regulations ("Agreement").

PAID IN FULL (PIF) MEMBERSHIP: EXPIRES

ANNUAL RENEWAL: \$ (EXPIRES SAME DATE) Plus Applicable Sales Tax

✓ MONTHLY DUES = \$ 34.99 + APPLICABLE TAX. Your dues will be billed monthly by electronic funds transfer to your bank account ("EFT") or credit card ("CC") (collectively, "EFT/CC"). IF THERE ARE ANY FAMILY ADD-ONS TO THIS AGREEMENT, BE ADVISED THAT IF YOU CHOOSE IN THE FUTURE TO PAY FOR ANY SUCH FAMILY ADD-ONS THROUGH MULTIPLE ACCOUNTS WITHIN THIRTY DAYS FROM PURCHASE, YOU MUST PAY THE FULL INITIATION FEE AS ADVERTISED FOR A CURRENT "EASY START" MEMBERSHIP FOR EACH ACCOUNT ADDED. IF YOU MAKE THIS CHOICE AFTER THIRTY DAYS FROM PURCHASE, A SPLIT FEE OF \$79 WILL BE CHARGED PER ACCOUNT ADDED.

PAYMENT		DATE	PAYMENT TYPE	ACCT. NO.	EXPIR. DATE	AMOUNT
INITIATION FEE	\$ 75.00	02/15/07	VISA	0050	01/08	\$ 144.98
FIRST/LAST MONTHS' DUES	\$ 69.98					
PREPAID DUES (PIF)	\$					
SUBTOTAL	\$ 144.98					
SALES TAX	\$ 0.00					
TOTAL DUE	\$ 144.98					
TOTAL PAID	\$ 0.00					
BALANCE DUE	\$					
MEMBERSHIP TYPE:						
Multi Club						

SERVICES	
<input type="checkbox"/> TENNIS	\$ mo.
<input type="checkbox"/> RACQUETBALL	\$ mo.
<input type="checkbox"/> TOWEL/SERVICE	\$ mo.
<input type="checkbox"/> KID'S CLUB	\$ mo.

YOUR EFT/CC BILLING DATE: Your monthly dues will be automatically billed and collected electronically once a month beginning on 04-01-07 and continuing on that same day each month thereafter until terminated in the manner provided below.

HOW TO CANCEL YOUR MONTHLY DUES MEMBERSHIP: You may cancel your membership (and thereby the continued billing of the monthly dues through EFT/CC) by providing written notice of your request at least thirty days prior to your billing date. Send the written notice to: L.A. Fitness, P.O. Box 54170, Irvine, CA 92619-4170. If the notice is postmarked at least 30 days prior to your next billing date, no further billing will occur. If the notice is postmarked less than 30 days prior to your next billing date one or more billings will occur. In either case the last month's prepaid dues will extend your membership expiration by an additional 30 days or more, depending on your original sign up date.

***EFT/CC REQUEST.** Buyer (individually and as agent or guardian of Member) hereby authorizes L.A. Fitness to make periodic charges to or withdrawals from (a) the account used to pay the initial payment described above, or (b) a replacement account hereafter used for payment of any sums due L.A. Fitness under this Agreement, including but not limited to Buyer's balance due if not paid by the due date, or for any other use by Buyer of L.A. Fitness facilities or services (the "EFT"), as follows: Monthly membership dues will begin on either the 1st or 15th of the month following your membership sign up date, as described above. In the event sufficient funds are not available in Buyer's account or debits are otherwise not accepted, L.A. Fitness may resubmit the charge. If the resubmission is returned uncollected, the rejected amount plus a \$10.00 service charge may be added to Buyer's next regularly scheduled debit. Buyer understands that Buyer is entitled to notice of all varying charges and withdrawals under the EFT, but Buyer waives the right to receive prior notice for charges or withdrawals with respect to any uncollected monthly dues payments or portions of the balance due described above and the corresponding service charges, both of which Buyer agrees are not varying charges or withdrawals. Buyer understands that Buyer is in full control of Buyer's payment and that this EFT/CC Request will remain in effect until L.A. Fitness receives written notice of termination of this Agreement and has a reasonable opportunity to act on that notice. If you decide to change your billing information, a 30-day notice is required. Buyer may timely notify the financial institution in control of Buyer's account to terminate this EFT/CC Request, but such notification will not otherwise affect this Agreement and Buyer's obligations herein.

BUYER'S RIGHT TO CANCEL: If you wish to cancel this contract, you may cancel by delivering or mailing by certified mail, return receipt requested, written notice to this health club or the Club of Enrollment. The notice must say that you do not wish to be bound by the contract and must be delivered or mailed before 12 midnight of the third business day after you sign and receive a copy of this contract. The notice shall be sent to L.A. Fitness International, LLC, P.O. Box 54170, Irvine, CA 92619-4170 or submitted by personal delivery to the Club of Enrollment. Upon receipt of notice of a 3-day cancellation, L.A. Fitness shall refund to buyer all monies including any initiation fee paid under the Agreement. In some cases you may also cancel this contract if you signed it before the health club facility was completed, if the club moves or goes out of business, if you become permanently disabled or if you move from the area. If you cancel, the health club may be entitled to a certain portion of the contract price. If the health club goes out of business or refuses to give you a refund, there may be a bond or letter of credit under which you are entitled to collect. For details, read your contract carefully. Enforcement of the Health Club Act is by the Attorney General of the Commonwealth of Pennsylvania or the district attorney of the county in which the health club is located. You may also bring a private cause of action. If your rights are violated, you may contact the State Bureau of Consumer Protection or your local district attorney.

NOTICE OF CLAIMS AND DEFENSES: Any holder of this contract or note is subject to all claims and defenses which the debtor could assert against the seller of goods or services obtained pursuant hereto or with the proceeds hereof. Recovery hereunder by the debtor shall not exceed amounts paid by the debtor hereunder.

Buyer agrees that LAF may provide Buyer's personal contact information to independently operated businesses within the Club and Buyer consents that such businesses may contact Buyer (including by phone) concerning available services or promotions.

Buyer hereby consents to the use of an electronic signature to record Buyer's commitment to the terms of this Agreement.

By signing this Agreement, Buyer acknowledges that Buyer is of legal age, has received a filled-in and completed copy of this Agreement has read and understands the entire agreement including but not limited to the *EFT/CC Request (if applicable), the Release and Waiver of Liability and Indemnity, all other Additional Terms and Conditions on the reverse side hereof. L.A. Fitness recommends you consult your physician prior to beginning any exercise or weight loss program.

Executed at: (Club of enrollment)

WARRINGTON

Pennsylv

L.A. FITNESS EMPLOYEE ID NUMBER

1826593

MEMBER'S/BUYER'S SIGNATURE

02/15/2007

DATE

On a Monthly Dues membership, I hereby authorize L.A. Fitness to (a) use the information from my check to create the automatic monthly payment draft on the date(s) indicated above; or, (b) charge the above-listed amounts to the credit card I provided on the date(s) indicated above. If I provided a check for these payments, funds may be withdrawn from my account as soon as the same day I provide this check and, for future payments, on the date payment is due, without receiving a check back from my financial institution.

ADDITIONAL TERMS AND PROVISIONS

Except as otherwise stated herein, all notices to L.A. Fitness hereunder shall be mailed (certified or registered, return receipt requested) to P.O. BOX 54170, Irvine, CA 92619-4170 or to such other address designated for notice as posted at L.A. Fitness club facilities. All notices to member hereunder shall be mailed to the address member has provided in this Agreement or to such other address which member agrees to notify L.A. Fitness of in writing and in accordance with this paragraph. If any part of this Agreement is held by a court of competent jurisdiction to be void or unenforceable, the remainder of the terms and provisions of this Agreement shall remain in full force and effect and shall not be affected.

You (individually, if you are the Member, and as agent and/or guardian of Member) agree that Member, and Member's family members, and any guests and invitees shall be bound by this Agreement and the L.A. Fitness Membership Policies and Club Rules and Regulations provided herewith for the usage of L.A. Fitness Club facilities. You agree that the Membership Policies and Club Rules and Regulations may be revised, supplemented or amended in the sole and absolute discretion of L.A. Fitness and any such changes shall become immediately effective upon posting in the L.A. Fitness Club facilities.

Except as otherwise provided in this Agreement, the initiation fee is non-refundable. The initiation fee is not a prepaid sum for services; it merely entitles you to buy services by paying monthly dues and other applicable charges. Monthly dues also will be in the amount indicated hereinabove. It is guaranteed that your monthly membership dues will not increase for three years from the date of enrollment. After three years, your monthly membership dues rate will not increase by more than one dollar (\$1) in any calendar year, if at all. You agree to pay dues in advance, for the first and last months of Membership. Termination of Membership will be effective only if the procedures described herein are followed. In case of a multi-member Membership, termination by one Member may cause the monthly dues rates applicable to the remaining Members to increase to the prevailing individual rates. Failure by any Member to use the Membership will not relieve you of your payment obligation regardless of the circumstances, except as provided for below. If any payment of dues or other charges is not made on time, L.A. Fitness may, but is not obligated to, suspend or terminate your Membership. No refunds shall be made for Membership dues paid, except as specifically provided in this Agreement. In no event shall this Agreement require payments or financing or extend for a period that would give rise to a retail installment contract or be greater than that permitted under the laws of the State of Pennsylvania.

IMPORTANT: RELEASE AND WAIVER OF LIABILITY AND INDEMNITY. You hereby acknowledge and agree that Member's use of L.A. Fitness' facilities, services, equipment or premises, involves risks of injury to persons and property, including those described below, and Member assumes full responsibility for such risks. In consideration of being permitted to enter any facility of L.A. Fitness (a "Club") for any purpose including, but not limited to, observation, use of facilities, services or equipment, or participation in any way, Member agrees to the following: Member hereby releases and holds L.A. Fitness, its directors, officers, employees, and agents harmless from all liability to Member and Member's personal representatives, assigns, heirs, and next of kin for any loss or damage, and forever gives up any claim or demands therefore, on account of injury to Member's person or property, including injury leading to the death of Member, whether caused by the active or passive negligence of L.A. Fitness or otherwise, to the fullest extent permitted by law, while Member is in, upon, or about L.A. Fitness premises or using any L.A. Fitness facilities, services or equipment. Member also hereby agrees to indemnify L.A. Fitness from any loss, liability, damage or cost L.A. Fitness may incur due to the presence of Member in, upon or about the L.A. Fitness premises or in any way observing or using any facilities or equipment of L.A. Fitness whether caused by the negligence of Member or otherwise. You represent (a) that Member is in good physical condition and has no disability, illness, or other condition that could prevent Member from exercising without injury or impairment of health, and (b) that Member has consulted a physician concerning an exercise program that will not risk injury to Member or impairment of Member's health. Such risk of injury includes (but is not limited to): injuries arising from use by Member or others of exercise equipment and machines; injuries arising from participation by Member or others in supervised or unsupervised activities or programs at a Club; injuries and medical disorders arising from exercising at a Club such as heart attacks, strokes, heat stress, sprains, broken bones, and torn muscles and ligaments, among others; and accidental injuries occurring anywhere in Club dressing rooms, showers and other facilities. Member further expressly agrees that the foregoing release, waiver and indemnity agreement is intended to be as broad and inclusive as is permitted by the law of the State of Pennsylvania and that if any portion thereof is held invalid, it is agreed that the balance shall, notwithstanding, continue in full force and effect. Member has read this release and waiver of liability and indemnity clause, and agrees that no oral representations, statements or inducement apart from this Agreement have been made.

L.A. Fitness makes no warranties or representations, express or implied, other than those set forth herein, and your sole and exclusive remedy in the event of any breach of this Agreement shall be cancellation of this Agreement. IN NO EVENT SHALL L.A. FITNESS BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES. In addition to the other dues, fees and charges provided for in this Agreement, you agree to pay a \$10.00 service fee for any item or direct charge memo not paid by your financial institution or account when presented for payment by L.A. Fitness.

Any active membership in good standing may be placed on an inactive status (frozen) pursuant to L.A. Fitness' current policy. L.A. Fitness may assign this Agreement, including Member's payment obligation herein.

If the Club facility temporarily closes for 30 days or less, the member shall receive an extension of the Membership term equal to the period during which the Club facility is closed. If the Club facility closes for more than 30 days, the Member is entitled to cancel the Membership and receive a refund if L.A. Fitness does not provide a comparable facility within ten miles of the location designated herein. The refund shall be all moneys paid in excess of an amount computed by dividing the full contract price, including any initiation fee, by the number of weeks in the contract term and multiplying the result by the number of weeks elapsed in the contract term. L.A. Fitness, in its sole and absolute discretion, reserves the right to close any Club facility and/or change existing facility rules, regulations, conditions, guidelines, club facilities, classes, programs and hours of operation. Classes, Club facilities, parking and equipment are available subject to demand and may be crowded at peak hours or may be discontinued or times changed if demand fluctuates. Other clubs may be built, acquired, reopened or converted after the date of your Agreement which may be excluded from your membership at our sole discretion.

The Member may extend the Membership term of this contract at no additional cost for a period of time equal to the duration of the disability where the Member has a disability which precludes the Member from using one-third or more of the Club facilities for a period of less than six months and the disability is verified by a physician. The Member or Member's legal representative may cancel the contract if the Member dies or becomes permanently disabled. A permanent disability means a condition which precludes the Member from using one-third or more of the Club facilities for six months or more and the condition is verified by a physician. Upon receipt of notice of cancellation, the Member shall be refunded all moneys paid in excess of an amount computed by dividing the full contract price, including any initiation fee, by the number of weeks in the contract term and multiplying the result by the number of weeks elapsed in the contract term less a fee of \$100, or, if more than half the life of the contract has expired, less a fee of \$50.

If the Member moves more than 25 additional miles from the Club facility, and L.A. Fitness is unable to transfer the Agreement to a comparable facility within 5 miles of the Member's new residence, Member may cancel this Agreement and upon receipt of notice of cancellation and proof of residence, L.A. Fitness shall refund to the Member all moneys paid in excess of an amount computed as of the date of relocation by dividing the full contract price, including any initiation fee, by the number of weeks in the contract term and multiplying the result by the number of weeks elapsed in the contract term, less a fee of \$100, or, if more than half the life of the contract has expired, less a fee of \$50.

The Member shall notify L.A. Fitness of cancellation in writing, by certified mail, return receipt requested, or by personal delivery to the address designated for notices in this Agreement or the Club of Enrollment. All cancellation refunds will be paid within 40 days of receipt of the notice of cancellation. If the Member has executed a credit, lien or automatic funds transfer agreement with L.A. Fitness to pay for services, any negotiable instrument or credit or lien agreement executed by the Member shall also be returned and any automatic transfer shall be canceled within 40 days after the cancellation.

If the Member sustains any loss or damage as a result of the breach of contract or bankruptcy by L.A. Fitness, the Member may file a claim with the surety, Bank of the West, 1977 Saturn Street, SC-MPK-02-G, Monterey Park, CA 91755 and if the claim is not paid, the Member may bring an action based on the Letter of Credit and recover against the surety. Any claim should be filed no later than six months from the date on which the injury occurred. The aggregate liability of the Letter of Credit to all persons for all breaches of the conditions of the Letter of Credit shall in no event exceed the amount of the Letter of Credit. If claims filed exceed the amount of the Letter of Credit, the surety shall distribute the amount of the Letter of Credit as a standard percentage of the amount claimed by all buyers seeking relief.

Until L.A. Fitness has provided the Member with an executed copy of this Agreement written in full compliance of Section 2163 of the Pennsylvania Health Club Act, the Member may cancel the Agreement at any time.

In the event Member, or any of Member's family or an invitee of Member, violates any of the terms or provisions of this Agreement or the L.A. Fitness Membership Policies and Club Rules and Regulations, L.A. Fitness may suspend their right to use the Club facilities and the services until such time as Member, or Member's family Members, have abided by and fully complied with the terms and provisions of this Agreement and the L.A. Fitness Membership Policies and Club Rules and Regulations. Member shall not be entitled to any refund, credit or abatement of Membership dues for the period during which the Membership was suspended. If Member, or Member's family or an invitee of Member, thereafter violates any of the terms and provisions of this Agreement or the L.A. Fitness Membership Policies and Club Rules and Regulations, L.A. Fitness may terminate Member's Membership and the right to use the L.A. Fitness facilities without reimbursement. L.A. Fitness also reserves the right to terminate the Membership for any reason whatsoever upon written notice and a refund of the pre-paid dues, if any.

If the L.A. Fitness Club is not completed and operational as of the date of this Agreement, the following items apply: A) the estimated date the Club facility will be open and available for use will be within 12 months from the date of this Agreement; B) the Member may cancel the Agreement without penalty and receive a full refund, including the initiation fee, if the Club facility is

not open and operational by the date specified in (A) above; and (C) the Member may cancel the Agreement without penalty and receive a full refund, including any initiation fee, within three business days after the Club facility opens or the Member receives notice of its opening, whichever occurs later.

LA FITNESS

MEMBERSHIP POLICIES AND CLUB RULES AND REGULATIONS

The following Membership Policies and Club Rules and Regulations ("Rules and Regulations") are a part of the Membership Agreement. You, the Member, agree to abide by the Rules and Regulations and other rules as posted which may vary depending on the club location and services offered. LA Fitness may change the Rules and Regulations without notice at any time. LA Fitness will post any such changes at the clubs. The Rules and Regulations and the individual club rules apply to Members as well as their family members, guests and invitees (collectively, "guests") while in, on or about the club premises.

MEMBERSHIP TYPES AND SERVICES

Membership types and services are subject to change without notice and are not necessarily available at all clubs. If a service is eliminated and additional fees were charged for that service, the fees will be discontinued upon member's request. No fee reductions will be made if services that are provided at no additional charge are discontinued. Club classifications are subject to change without notice or fee adjustment.

Elite Membership: A Membership valid at all LA Fitness clubs in all states, including "Elite" clubs. Refer to www.lafitness.com for current "Elite" club listings and locations.

Premier Membership: A Membership valid at all LA Fitness clubs in Pennsylvania except "Elite" clubs. Refer to www.lafitness.com for current club listings and locations.

Classic Membership: A Membership valid only at "Classic" clubs which are identified as such due to the club facilities available and club location.

Single: A Membership valid only at the club of enrollment.

Racquetball Courts: This service entitles the member to use racquetball courts (subject to club reservation policies and court availability) at any LA Fitness club that offers racquetball courts where member has a valid L.A. Fitness membership.

RULES AND REGULATIONS

1. Upon entering the club, all Members are required to present their active membership card or driver's license or other government issued picture identification. If you do not have your Membership card or proper identification, LA Fitness may prohibit your use of the facilities or may charge a guest fee for use of the facilities for that day.
2. All guests must sign a medical and injury release form prior to using the club facilities and follow all Rules and Regulations. All guests must prove that they are at least 18 years of age or older unless they have paid a guest fee or a Platinum member guest who is at least 14 years of age and accompanied by a parent or legal guardian. All guests using a Guest Pass may only do so one time during any six month period and must arrange for a brief tour of the club at least 24 hours in advance of their arrival and provide proof that their residence is within 25 miles of the club. Guest fees are subject to change without notice. LA Fitness may restrict the number of guests brought by a Member and reserves the right to discontinue guest privileges in its sole and absolute discretion.
3. During Club use, all Members and guests will refrain from engaging in loud, foul or slanderous language or molesting, badgering or harassing other Members or club employees, agents and contractors. Threatening or violent conduct is prohibited.
4. Members and guests will abide by and fully comply with the LA Fitness dress code for proper attire on the Club premises. In addition, for safety reasons, clubs may post recommended, but not required, attire. For example, LA Fitness recommends shower shoes or sandals in all wet tile areas and eye guards during racquetball activities.
5. No Member or guest may coach or train other Members or guests (as determined solely by LA Fitness). Members may not engage in any type of business or enterprise while at the LA Fitness Clubs.
6. From time to time, LA Fitness may permit independent contractors to offer products or services to Members. LA Fitness does not stand behind or in any way make any representations or warranties concerning, or guarantee the quality or reliability of, these products or services, including whether or not these independent contractors will remain in business for any period of time.
7. Members should not bring valuables, including money, onto the club premises, lockers or parking areas. Each member understands and agrees that LA Fitness will not be liable for the loss, theft of, damage to, the personal property of Member or guests.
8. Members and guests may not bring illegal drugs or alcoholic beverages onto LA Fitness premises.
9. The front desk telephone may only be used by guests or members in the event of an emergency.
10. Members and guests will abide by any additional LA Fitness rules and regulations posted at the Clubs.

WARNING: USE OF STEROIDS TO INCREASE STRENGTH OR GROWTH CAN CAUSE SERIOUS HEALTH PROBLEMS. STEROIDS CAN KEEP TEENAGERS FROM GROWING TO THEIR FULL HEIGHT; THEY CAN ALSO CAUSE HEART DISEASE, STROKE, AND DAMAGED LIVER FUNCTION. MEN AND WOMEN USING STEROIDS MAY DEVELOP FERTILITY PROBLEMS, PERSONALITY CHANGES, AND ACNE. MEN CAN ALSO EXPERIENCE PREMATURE BALDING AND DEVELOPMENT OF BREAST TISSUE. THESE HEALTH HAZARDS ARE IN ADDITION TO THE CIVIL AND CRIMINAL PENALTIES FOR UNAUTHORIZED SALE, USE, OR EXCHANGE OF ANABOLIC STEROIDS.